

Message Text

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PAGE 01 BRASIL 05804 062119Z

64 L

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 TRSE-00 COME-00 OPIC-12 SS-15

NSC-10 CIAE-00 INR-10 NSAE-00 RSC-01 L-03 XMB-07 H-03

AID-20 DRC-01 SSO-00 NSCE-00 USIE-00 INRE-00 /110 W

----- 026251

O R 062101Z SEP 73

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 9550

INFO AMCONGEN SAO PAULO

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E.O. 11652: N/A

TAGS: EFIN, BR

SUBJ: OPIC INSURANCE OF FORD MOTOR CO: PROJECT

REF: STATE 176947, BRASILIA 5064

1. OUR RESPONSE TO PARA 5 OF REFTTEL FOLLOWS USING SAME
LETTERING INDICATORS FOR QUESTIONS CONTAINED IN MESSAGE.
WE AGREE WITH COMMENT THAT ONLY FORD IS ABLE TO ANSWER
FULLY QUESTIONS (A) AND (B).

A. IT IS OUR UNDERSTANDING THAT FORD HAS COMMITTED
ITSELF WITH THE GOB TO THE INVESTMENT UNDER CONSIDERATION.
FORD WOULD PUT ITSELF INTO AN EXTREMELY DIFFICULT SITUATION
WITH THE GOB IF IT WERE TO REFUSE TO GO AHEAD ON THE GROUNDS
THAT IT COULD NOT OBTAIN POLITICAL-RISK INSURANCE. THIS INVESTMENT
IS STRONGLY DESIRED BY GOB. ACCORDINGLY, WE CONSIDER IT DOUBTFUL
THAT FORD WOULD CANCEL
ITS PLANS IF INSURANCE WAS NOT PROVIDED.

B. WE HAVE NO INDICATION THAT HAVING POLITICAL-RISK
INSURANCE WOULD ENABLE FORD TO RESTRUCTURE ITS INVESTMENT
IN ANY WAY OR THAT GOB DESIRES SUCH A RESTRUCTURING.

C. GOB DOES NOT REGARD INSURANCE FOR INVESTMENTS AS
AN INTEGRAL PART OF ITS DEVELOPMENT PLAN. IN GOB VIEW
FOREIGN INVESTMENTS CAN AND SHOULD BE MADE WITHOUT POLITICAL-

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PAGE 02 BRASIL 05804 062119Z

RISK INSURANCE, BUT GOB WOULD OF COURSE NOT BE OPPOSED TO

GRANTING OF INSURANCE.

D. WE ARE UNAWARE OF ANY ATTEMPTS BY THE GOB TO
PERSUADE FORD TO LOCATE ITS INVESTMENT IN ANOTHER LESS-
DEVELOPED AREA OF BRAZIL. WE DOUBT THAT THE GOB WOULD DO
THIS. GOB'S PRIMARY CONCERN IS TO GET THE INVESTMENT.
FOR MAJOR NEW INVESTMENTS THAT ARE NOT ADDITIONS TO
NATIONAL PLANT, THE SITE LOCATION IS A SECONDARY FACTOR ALTHOUGH
GOB HAS WELL-DEVELOPED INCENTIVES POLICY DESIGNED TO
ENCOURAGE INVESTMENT IN NORTHEAST.
E. EMBASSY HAS NO OBJECTIONS TO OPIC INSURANCE OF
PROJECT. CRIMMINS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Concepts: INVESTMENT GUARANTEES, INDUSTRIAL INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BRASILIA
Handling Restrictions: n/a
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Original Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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30 JUN 2005

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Review Withdrawn Fields: n/a
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To: STATE
Type: TE
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